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THE COUNCIL OF
THE CITY OF NEW YORK
ROBERT HOLDEN
COUNCIL MEMBER, 30TH DISTRICT, QUEENS

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November 6, 2019

Margaret Garnett
Commissioner, Department of Investigation
180 Maiden Lane
New York, NY 10038

Dear Commissioner Garnett,

I am writing to call for an investigation into the circumstances by which city officials reached an agreement with a property owner, developer and non-profit service provider to operate a homeless shelter within Council District 30. During the past 15 months, I have negotiated with City Hall, the Department of Homeless Services (DHS) and the School Construction Authority (SCA) to find a proper location for the shelter, only to have the agencies suddenly back out of the negotiations.

The proposed shelter location, 78-16 Cooper Avenue, is in the center of a residential community with one- and two-family homes accounting for more than 70 percent of the housing stock. There are public schools within blocks of this property as well as a children's gymnastics studio, a youth sports complex and a shopping mall. A daycare center that this community desperately needs is also being constructed less than a block away. As soon as I heard in August 2018 that this location was being proposed for a homeless shelter, I immediately began negotiating to find a better location that would be more accepted by the community.

At that time, I began speaking to SCA President Lorraine Grillo about the possibility of building a state-of-the-art District 75 school on the Cooper Avenue property. Both Grillo and DHS Commissioner Steven Banks agreed that the new school could be built and we could negotiate another location for the proposed shelter. One of the alternate locations I provided was a city owned property and would have saved the city millions. I was told by both agencies for several months that all the proposal needed was the mayor's approval, but when I finally spoke to the mayor personally he told me he was not familiar with the plan.

Despite the claims by DHS that it wants to work with communities to find shelter sites, that is simply not the case. The owner of this particular property on Cooper Avenue also owns other city properties that have become homeless shelters. The realtor and developer involved in the project are involved in many other shelter projects around the city. This property was first considered for a shelter in 2013 before litigation and community opposition prevailed, but work has slowly been ongoing inside the building under the guise of a Department of Buildings permit for the construction of an office. The current lease agreement between the property owner and realtor signed in October 2019 states that the agreement began in 2013, which leads me to believe that the two parties have been working toward this result all along.

Now there is a \$61 million contract under review between the city and the service provider, Westhab, which is incomplete and contains many discrepancies. In fact, the operating budget section of the contract was not

available when my staff went to review the document. The contract also mentioned that the shelter would have 88 beds, yet we have been told verbally that the shelter will house 200 men. Moreover, the Department of Social Services is unlawfully refusing to provide my office with a copy of the contract at this time.

This entire procurement process has been flawed and I am formally requesting an investigation. I look forward to meeting with you or investigators to discuss this situation in greater detail. Please feel free to contact me with any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Holden', written in a cursive style.

Robert F. Holden
Council Member, District 30

CC: Scott Stringer, Comptroller, City of New York
Anastasia Coleman, Special Commissioner of Investigation, New York City School District